



## PRACTICE TRANSITIONS

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### CLIENT CASE STUDY

# "We Just Ran It Well" - How Operational Discipline Created a Life-Changing Exit

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## THE DISCIPLINE THAT SET THEM APART

When Dr. A and her husband, Mr. A, filled out Practice Transitions Group's (PTG) online calculator, they entered what appeared to be standard revenue figures for their practice. What the PTG team discovered next illustrates why operational discipline creates extraordinary value in dental practice sales.

"Most practices with their revenue level generate around 20% profit margins," recalls Thomas Allen, CEO of Practice Transitions Group. "This practice was achieving over 40% through smart operations."

The husband-and-wife team had built something remarkable without compromising patient care.

Dr. A maintained the clinical aspects while her husband, leveraging his MBA background, optimized everything from staff productivity to space utilization. They used overseas support strategically, watched expenses carefully, and focused on profitable procedures rather than chasing volume.

## THE STRATEGIC EXIT DECISION

This wasn't a burnout story or retirement necessity. The couple had built a practice generating a substantial seven-figure income while maintaining an excellent work-life balance. Mr. A wanted to pursue other business ventures, and Dr. A preferred focusing on dentistry without managing business operations alone.

"They recognized they had created something valuable and timed their exit strategically," notes Thomas. "Rather than waiting until they were tired of the practice, they monetized peak performance."

The couple approached their exit methodically, researching multiple advisors and prioritizing honest communication over unrealistic promises. They valued expertise that matched their business sophistication.

## **MARKET VALIDATION OF THEIR APPROACH**

When PTG brought the practice to market, buyer response revealed a crucial market dynamic. Multiple serious offers varied dramatically, not because of different valuations, but because of different operational philosophies.

Several groups planned significant operational changes, saying, "We'll buy your practice but rebuild it our way," which would have reduced the effective purchase price through built-in expense assumptions.

The winning buyer specifically valued high-margin practices and appreciated disciplined operations. "They understood that efficiency wasn't cutting corners, it was smart business," explains Thomas.

## **EDUCATED SELLERS DRIVE BETTER OUTCOMES**

Mr. A's business background proved invaluable throughout negotiations. He thoroughly evaluated each potential partner, requiring transparency about operational philosophy, financial performance, and post-acquisition support systems.

"He read every legal document completely," recalls Thomas. "This level of engagement elevated the entire process and ultimately benefited everyone involved."

When Quality of Earnings revealed even stronger performance than initially presented, the buyer honored the improved metrics with additional consideration, validating both the practice's growth trajectory and the thorough due diligence approach.

## **RECORD RESULTS THROUGH STRATEGIC PARTNERSHIP**

The final transaction delivered exceptional outcomes across multiple metrics. The practice achieved a premium multiple of revenue with substantial cash at closing. During due diligence, the valuation increased significantly when updated financials confirmed continued growth.

PTG also identified management practices that added meaningful value to the EBITDA calculation, demonstrating how thorough representation uncovers every opportunity for maximum value.

"The buyer recognized they were acquiring a practice built on sustainable profitability," notes Thomas. "That recognition translated directly into premium pricing."

## CONTINUED SUCCESS VALIDATES THE STRATEGY

Today, Dr. A continues practicing with dramatically reduced administrative responsibilities while her husband pursues new ventures. The couple recently visited their buyer's headquarters and expressed complete satisfaction with their partnership choice.

The practice maintains its efficiency standards under new ownership while benefiting from the buyer's growth resources and operational support systems.

## THE OPERATIONAL DISCIPLINE ADVANTAGE

This transaction demonstrates why disciplined practice management creates extraordinary exit opportunities. Buyers pay premiums for practices that prove sustainable profitability through smart operations rather than market circumstances or temporary factors.

The key differentiator wasn't luck or timing - it was building systems that consistently delivered exceptional margins while maintaining clinical quality. This foundation created multiple buyer options and premium valuations even in a challenging market environment.

For dental practice owners who have invested in operational discipline and strategic thinking, the market rewards that expertise when properly positioned. The opportunity lies not just in finding buyers, but in finding partners who recognize and value systematic approaches to practice management.

Beyond obtaining the best financial outcome, we are committed to ensuring the long-term success and legacy of each practice we work with. We approach every transaction with a genuine desire to understand our client's goals, crafting deals that align with their vision for the future. Then, we lead all aspects of the sale or partnership. With a team that combines expertise in financial analysis, marketing strategies, and sell-side negotiations, we execute successful, profitable transactions for our clients.

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